

Department of Public Health & Human Services

Additional Budget Reduction Information
Children, Families, Health & Human Services Interim Committee
Updated: 05/14/2018 (corrected)
By: E. Johnston

Division	DP Number	Title	Population Served	Numbers Served	Consequences	Mitigation Plan	Approximate SFY17 Expenditures	SFY 2018 Reduction	SFY 2019 Reduction	% of Division General Fund Budget
01 DET	690101	Reduction in Personal Services			Reduction in timely service to individuals with disabilities.	The order of selection in VRBS will continue to result in shrinking caseloads.	\$ 9,143,426	\$ 664,269	\$ 664,269	1.42%
	690102	Close satellite offices	Disabled adults	193	Clients will no longer receive local services.	Polson and Browning would be serviced from Kalispell. Hamilton counselor would be relocated to Missoula. Bozeman central office employee would be relocated to Helena.	\$ 30,000	\$ 29,012	\$ 29,012	0.10%
	690103	Eliminate all in-person staff trainings	Agency staff		State VR programs are required by the Rehab Act (see 34 CFR 361.18) to implement a comprehensive system of personnel development. Some of these trainings are presently conducted in person. Elimination would likely reduce the effectiveness of training and possibly require amendment of state plan.	WebEx would allow for trainings from remote sites.	\$ 100,000	\$ 100,000	\$ 100,000	0.36%
	690104	Align rates community rehabilitation provider (CRP) agreements with established rates in disability services	Disabled adults	5,500	Dissatisfaction of community rehabilitation providers (CRP) who will receive less money under this fee structure.		\$ 1,000,000	\$ 140,049	\$ 151,313	0.50%
	690108	Reduce Extended Employment contract	Disabled adults	360	Individuals with the highest levels of disability may lose their jobs. These individuals will not be able to reopen VR cases due to the order of selection.	This option could possibly shift burden of some ongoing employment supports to DDP for individuals on DD waiver. Could increase costs in VRBS in form of supported employment services and delayed case closure.	\$ 685,000	\$ 285,000	\$ 285,000	4.75%
01 DET Total							\$ 1,218,330	\$ 1,229,594		7.13%
02 HCSD	690201	Reduction in Personal Services			Reduction in timely service and staff will take on additional duties.	Essential services will continue by re-assignment of duties.		\$ 308,716	\$ 308,716	0.26%
	690202	Reduce funding for quality provisions of STARS infrastructure/child care	Licensed child care providers, income eligible families and their children	221	Less support for child care providers in STARS program in pursuing higher education and reduction in supports in childhood early services by contracts and system.	Support to providers will be based on long distance communication	\$ 2,600,000	\$ 852,205	\$ 923,605	2.36%
	690203	Eliminate TANF funding for second chance homes	Pregnant & Parenting Teens			Priorities to be assigned to CCUBS database	\$ 300,000	\$ 178,500	\$ 300,000	0.49%
	690204	Close Offices of Public Assistance with 3 employees or less			Clients will no longer receive local services.	Service is available via the phone, mail, fax and online.	\$ 1,200,000	\$ 649,256	\$ 1,241,671	0.18%
	690205	Reduce TANF Pathways contracts			Contactors will have less money to support TANF individuals in future months.	Tighter budgetary watch. Stronger referrals to no cost services in communities. May need focus on TANF cash programs as a priority over Non TANF cash participants.	\$ 1,500,000	\$ 1,919,612	\$ 1,919,612	5.32%
	690207	Restructure division management			Reduction of mid level management presence in local offices.	Management structure will change with Field Services Senior Leadership assuming the role.		\$ 198,856	\$ 292,862	0.24%
02 HCSD Total							\$ 4,107,145	\$ 4,986,466		9.40%
03 CFSD	690301	Reduce number of cell phones issued in field services			Increased monitoring of phones.			\$ 23,472	\$ 31,548	0.03%
	690303	Restructure division management			Additional burden to other management staff.	Prioritization to ensure delivery of essential services.	\$ 200,000	\$ 60,682	\$ 101,504	0.10%
	690304	Eliminate services with Second Chance Home/Center for Children and Families	Recovering mothers and their children	28	The youth placed with their mothers at this facility will likely have to enter a normal foster care placement and not be allowed to remain with the mother.	Moving children to foster care or transition to regular housing situation with parent if determined to be a safe placement.	\$ 770,000	\$ 430,103	\$ 737,320	0.91%
	690305	Reduce costs associated with chemical screening			The savings would not be immediate due to RFP process and implementation.	This is an efficiency gain with positive impact on families.	\$ 2,500,000	\$ 907,355	\$ 1,200,000	1.91%
	690309	Eliminate un-matched general fund support for the pre-hearing conference program			Efficiencies created by the relationship would be lost.	County may be able to absorb costs or apply for grant funding.	\$ 47,000	\$ 46,928	\$ 46,928	0.10%
03 CFSD Total							\$ 3,511,606	\$ 1,468,540	\$ 2,117,300	3.05%
04 DO	690401	Eliminate un-matched funding for the Children's Trust Fund			Effort was a response to MCA 50-16-103, 104. Educational materials will no longer be published.			\$ 110,000	\$ 110,000	3.81%
	690402	Restructure Director's Office and Leave Positions Unfilled			Increased burden to existing senior management team.	Prioritization of agency functions necessary to deliver essential services.		\$ 317,068	\$ 319,199	6.19%
04 DO Total								\$ 427,068	\$ 429,199	10.00%
05 CSED	690501	Reduction in Personal Services			Reduced services to public. Could lead to delays in custodial parents receiving support payments. Existing staff would see an increased workload due to vacancies.	Prioritization to ensure delivery of essential services.		\$ 419,419	\$ 457,462	4.83%
	690503	Reduce funding for operations			Travel to participate in Department of Labor and Industry Assistance for Business Clinics reduced. Travel to regional offices reduced. Employers would continue to pay fees associated with using the online service for income withholding support payments. The consequences of this will be fewer employers opting into doing business electronically with CSED.			\$ 5,665	\$ 5,665	0.05%
05 CSED Total								\$ 425,084	\$ 463,127	4.89%

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06 BFS	690602	Refinance positions to utilize enhanced funding in LRIT			None.			\$ -	\$ -	0.00%
	690603	Reduce operating expenditures			Reduced training available for staff.	Utilize internal staff for continuing education.		\$ 44,100	\$ 44,100	0.49%
06 BFS Total								\$ 44,100	\$ 44,100	0.49%
07 PHSD	690705	Reduction in Personal Services and Operating Costs			Additional vacancy savings. Reduction in operational costs, travel, memberships, sponsorships and subscriptions.	Prioritization to ensure delivery of essential services.		\$ 56,327	\$ 57,072	1.44%
07 PHSD Total								\$ 56,327	\$ 57,072	1.44%
09 TSD	690901	Reduce usage of SITS service items			Reduced DBA professional services and EIS/Security Expert time, Virtual Server, WAN, Data Center, Cabling, Splunk, Network Connections	Communications of limitations to users and programs to inform expectations.		\$ 467,876	\$ 548,190	1.45%
	690903	Reduction in WAN connections - OPA Offices			As OPA offices close the network charge for the connection to the office would be eliminated.			\$ 44,399	\$ 88,800	0.14%
	690904	Reduce - IT contract for CAPS			Affects MFSIS system development and required changes to federal reporting for child welfare. The reporting changes will be delayed potentially past the required deadline. This will also negatively affect the MFSIS development schedule.	Prioritization of critical enhancements in CAPS.	\$ 1,650,000	\$ 330,638	\$ 330,638	2.07%
	690905	Reduce - IT contracts for CHIMES/EBT			This action reduces the planned enhancements for CHIMES by 50%. This will potentially impact planned operational efficiency enhancements, items for T-HIP, SB261 adjustments, and items that address SNAP/TANF error rate.	Prioritization of critical enhancements in CHIMES.	\$ 2,000,000	\$ 982,996	\$ 1,079,648	4.03%
	690906	Reduction in Force			This reduction will adversely impact desktop support, system development, and operations and maintenance. There will be severe delays in response times for outages and enhancements.	Prioritization of activities. Communications to customers of potential delays in service.		\$ 155,408	\$ 241,542	0.54%
	690907	Eliminate desk phones			Usage of cell phones may increase incurring a slight incremental cost increase.	Monitor expenditures to identify unanticipated cell cost increase.		\$ 50,217	\$ 50,217	0.28%
09 TSD Total								\$ 2,031,534	\$ 2,339,035	8.50%
10 DSD	691001	Reduce Services - Medicaid Targeted Case Management CMH	SED Youth	4,988	Youth and their families could have more trouble accessing and coordinating services. There could be an increase in emergency services being used.			\$ 892,420	\$ 3,569,681	0.34%
	691002	Reduce Program - DDP Family Education and Support	DD children	850	Families would lose the support services that FES provides while they are on the waiver wait list.	Provider engagement to determine service delivery / fee structure going forward.	\$ 3,500,000	\$ 293,500	\$ 587,000	0.16%
	691003	Eliminate Program - Evaluation & Diagnosis (E&D) Clinics	Disabled individuals	777	This eliminates the coordination component of E&D services. Individuals would not receive a comprehensive evaluation and may not receive as accurate of a diagnosis.	Individuals can currently obtain evaluations from individual practitioners which would not be as comprehensive.	\$ 1,100,000	\$ 125,000	\$ 250,000	0.14%
	691004	Add Prior Authorization - Medicaid Partial Hospital Program	SED Youth	167	CMHB Staff will spend the time to carry out the prior authorization process.	Monitor prior authorization statistics; number approved/denied.		\$ 212,500	\$ 425,000	0.04%
	691005	Reduce Services - Non-Medicaid Targeted Case Management	Disabled individuals without Medicaid		Individuals on the DD 0208 wait list would not receive TCM unless they were Medicaid eligible. TCM can help avoid crisis while the individuals are on the DD Waiver wait list.	Individuals still in high school and have an IEP can receive some school-based coordination. Agency staff may have to increase TCM provision in-house.		\$ 27,542	\$ 36,723	0.03%
	691006	Eliminate Services - Supported Employment Leadership Network (SELN)	Disabled individuals		SELN does not provide direct services. The frequency of inter-agency discussion on service delivery and available resources may be reduced.	Look for ways to have referral and other information easily available to people.	\$ 35,000	\$ 35,000	\$ 35,000	0.02%
	691007	Eliminate Contract - Dental Lifeline	Disabled individuals needing dentistry		Access to dental care is often challenging for the population served by the department and the contractor works with dental providers to obtain availability of services.		\$ 30,000	\$ 30,000	\$ 30,000	0.03%
	691008	Eliminate Contract - PLUK Referral Library	Disabled individuals/Families		Individuals and families will have to find disability resources and referral information through different, various resources instead of having a more central location for these resources.	Look for ways to have referral and other information easily available to people.	\$ 28,000	\$ 28,453	\$ 28,453	0.03%
	691009	Reduce Provider Support and Operations			Slower response times, claims exception processing, provider manual updates and general customer service.	Review tasks for least valuable, prioritize to ensure delivery of essential services.		\$ 275,250	\$ 367,000	0.16%
	691010	Add Utilization Review - Medicaid Children's Mental Health Genetics Testing	SED Youth	347	Possibility of allowing genetic testing after review or under EPSDT.	Monitor utilization review statistics; number approved/denied.		\$ 307,037	\$ 614,074	0.11%
	691011	Reduce Rates - Medicaid Out-of-State PRTE	Acute SED Youth	15	Children would shift to lower cost out-of-state PRTE's or in-state PRTE's that may not have the same specialties as the more expensive PRTE's.			\$ 168,750	\$ 675,000	0.06%
	691012	Reduce Grants - Youth Crisis Diversion Grants	Youth experience mental health crisis	235	Youth in crisis would have to be directed to other crisis service options.		\$ 723,000	\$ 91,000	\$ 300,000	0.10%
	691013	Restructure Medicaid Home Support Services	SED Youth	1,596	There could be a shift to TCM or other outpatient services.			\$ 140,400	\$ 748,649	0.05%
	691014	Utilization/Authorization - Medicaid Outpatient Children's Mental Health Sessions	Low acuity youth without a SED diagnosis		Concern would be rushed/improper diagnosis for children.	Monitor prior authorization statistics; number approved/denied.		\$ 39,349	\$ 125,000	0.01%
	691015	Utilization/Authorization - Medicaid Services Therapeutic Group Home	SED Youth	688	The number of continued stay review requests that the CMHB staff receives and must review would increase.	Monitor prior authorization statistics; number approved/denied.		\$ 74,375	\$ 148,750	0.03%
	691017	Reduce Services - Medicaid Targeted Case Management	Disabled individuals	2,500	Individuals on the DD Wait list currently receiving TCM would lose their services. Individuals who currently work with a contracted targeted case manager would be assigned to a state case manager.	Replace with case management for individuals who are enrolled in the 0208 DD Waiver provided by state staff with increased caseload sizes.		\$ 1,345,369	\$ 2,690,738	0.50%
	691019	Eliminate room & board for Seriously Emotionally Disturbed Children	SED Youth	150	None		\$ 650,000	\$ 487,500	\$ 650,000	0.56%
10 DSD Total								\$ 4,573,445	\$ 11,281,068	2.38%

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11 HRD	691101	Reduce Program Operations - Medicaid Provider Support			Slower response times, claims exception processing, provider manual updates and general customer service.	Review tasks for least valuable, prioritize to ensure delivery of essential services.		\$ 150,000	\$ 300,000	0.05%
	691104	Eliminate Program - Medicaid Passport to Health	Medicaid	81,000	Montana has implemented CPC+ and PCMH medical homes which are designed to provide comprehensive care to members which are available to Medicaid Members, including those removed from Passport.	Monitor member access to primary care; monitor member usage of previous Passport required services.	\$ 2,900,000	\$ 1,216,406	\$ 2,919,375	0.26%
	691107	Reduce Service - Medicaid Targeted Case Management	Medicaid Youth with Special Needs	2,321	Members will continue to receive care through their primary care provider and with the addition of PCMH and CPC+, the majority of these members will receive care coordination through those programs.	Monitor member access to care.		\$ 172,646	\$ 400,860	0.04%
	691109	Reduce Rates - Medicaid Outpatient PPS Hospitals			Outpatient Prospective Payment System (PPS) Hospital rates would be reduced by 10%.	No access issues anticipated.		\$ 3,047,227	\$ 4,958,256	0.66%
	691110	Add Prior Authorization - Medicaid Physician Administered Drugs	Medicaid		This aligns how prescription drugs services are treated across the Medicaid program. Prior authorizations help control cost and proper utilization on high-cost items.	Monitor prior authorization statistics; number approved/denied.		\$ 284,421	\$ 568,842	0.06%
	691111	Reduce - Medicaid Services - Dental coverage of high cost, extensive dental procedures and dentures for the adult Medicaid population.			Dental coverage of high cost, extensive dental procedures and dentures for the adult Medicaid population will be reduced.	The Department will continue to provide preventive and diagnostic dental services along with a basic restorative package to prevent a cost shift to higher levels of care. Monitor member access issues and refer members to FQHC for care if dental provider access is limited.		\$ 2,337,180	\$ 4,674,357	0.50%
	691112	Reduce Rates - Medicaid Provider Based Clinic Payment	Medicaid		Rates to Medicaid provider based clinics would be reduced. There would be no impact to members. Providers impacted include 11 outpatient hospitals and 10 critical access hospitals. The facility component of a provider based entity service would no longer be eligible for Medicaid reimbursement.	No access issues anticipated.		\$ 2,121,314	\$ 4,242,629	0.45%
	691113	Add Prior Authorization - Medicaid Advanced imaging; MRI, PET scans, and CT scan			Implementing prior authorization criteria will align Medicaid with other payers. Prior authorization on advanced imaging is common practice. It is implemented to ensure that the most cost effective tool is utilized.	Monitor prior authorization statistics; number approved/denied.		\$ 377,504	\$ 755,009	0.08%
	691115	Reduce Rates - Medicaid Incontinence Supplies	Medicaid	3,126	Changing to a set rate fee schedule for incontinence supplies aligns with the structure in surrounding states.	Other states using this structure have not seen an impact to the supply.		\$ 364,328	\$ 728,657	0.08%
	691117	Add Utilization Review - Medicaid Genetic and Molecular Lab Tests			Implementing prior authorization criteria will align Medicaid with other payers.	Monitor utilization review statistics; number approved/denied.		\$ 215,287	\$ 430,573	0.05%
	691118	Reduce Rates - Medicaid Durable Medical Equipment (DME)	Medicaid	17,875	This will reduce DME program costs and aligns the payment with CMS. Based on testimony and in meetings with the MT Optometric Association, a policy of annual eye exams and yearly frame and lens benefits exceeds recommended standard of care.	This aligns the program with the Federal mandate, Section 5002, 21st Century Cures Act. Monitor for member access issues.		\$ 985,579	\$ 1,971,158	0.21%
	691119	Reduce Services - Medicaid Eye Exams & Eyeglass Benefits	Medicaid	125,742	Medicaid will redefine the medical necessity criteria for members under the age of 21 to receive orthodontia benefits in order to reduce the number of members eligible for the benefit. The Handicapping Labio-Lingual Deviation (HLD) scoring index would increase from 25 to 30, impacting Medicaid members with orthodontia needs with HDL scores between 25-29.	Monitor for member access issues.		\$ 237,021	\$ 474,042	0.05%
	691120	Reduce Services - Medicaid Orthodontia	Medicaid Youth	250		Monitor for member access issues.		\$ 642,235	\$ 1,284,470	0.14%
	691122	Reduce Rates - Medicaid Comprehensive Primary Care Plus (CPC+)		45,369	This aligns the CPC+ rates with our current PCMH rates.	Monitor number of providers who remain in CPC+ after reduction; monitor medical home data requirements of each practice.		\$ 500,843	\$ 1,001,685	0.11%
	691123	Reduce Rates - Change Medicaid NCQA providers to PCMH	Medicaid	30,892	The change will allow all NCQA certified providers to become Patient Centered Medical Home (PCMH) Providers. The majority of all FQHCs within the state are NCQA along with a few additional independent providers who are not already enrolled in CPC+.	Monitor number of providers enrolled as PCMH; monitor medical home data requirements of each practice.		\$ 220,689	\$ 529,653	0.05%
	691125	Reduce Rates - Medicaid Inpatient PPS Hospitals			Medicaid Inpatient Prospective Payment System (PPS) general hospital base rate will be reduced by 5%.	No access issues anticipated.		\$ 2,178,471	\$ 3,802,982	0.46%
11 HRD Total								\$ 15,051,151	\$ 29,042,548	3.24%
12 MHS	691202	Reduce - IT Contracts MMIS & Flexible Rx			Reduced scope of services under the contract that increases the risk of payment errors in the MMIS, increasing administrative support by DPHHS program staff to respond to claim issues.	Contract will need to be negotiated and scope of work changes with associated services level agreement and performance standards.		\$ 932,792	\$ 933,268	10.00%
12 MHS Total								\$ 932,792	\$ 933,268	10.00%
16 MFH	691601	Reduction in Personal Services			Reduction in timely service and staff will take on additional duties.	Review tasks for least valuable, prioritize to ensure delivery of essential services.		\$ 218,690	\$ 219,857	10.00%
16 MFH Total								\$ 218,690	\$ 219,857	10.00%

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22 SLTC	692201	Reduce Program Operations -Medicaid Provider Support		3,534	Slower response times, claims exception processing, manual updates and general customer service	Review tasks for least valuable, prioritize to ensure delivery of essential services.		\$ 249,000	\$ 375,000	0.17%
	692202	Restructure Division Operations			A decrease in non-service related travel may impact federal level training, electronic meetings will require some training and coordination up front. Individuals may see reductions in their case plans. These reductions would most likely not impact health and safety.	Annual provider trainings, semi-annual case management trainings, APS annual training would continue in some combination of electronic/on site. Reductions will require notice with hearing rights. Cases will be reviewed as they are appealed.	\$	112,600	\$ 168,290	0.09%
	692203	Reduce Services - Medicaid Big Sky Waiver	Disabled elderly	3,000			\$ 43,000,000	\$ 1,705,251	\$ 3,410,603	0.78%
	692205	Add Program - Tribal Big Sky Waivers (Medicaid)	Tribal members	75	These services would be totally federally funded. The general fund reduction would come from the Big Sky Waiver. Waiver slots would be reduced under this option - wait list and time would grow.	Services to individuals would not be lost. Natural turnover in Big Sky Waiver would still occur.	\$ -	\$ -	\$ 600,000	0.00%
	692207	Reduce Services - Medicaid Personal Assistance Services	Elderly	600	Individuals would either lose services or meet NH level of care and go to CFC. There could be pressure on other waiver programs, the aging services programs, or APS.	Reductions will require notice with hearing rights. Cases will be reviewed as they are appealed.	\$ 1,600,000	\$ 597,519	\$ 1,195,038	0.28%
	692208	Reduce Services - Medicaid Community First Choice	Elderly	3,400	Individuals who are both CFC and Big Sky Waiver could receive two service plan reductions, those would be coordinated. This reduction would also impact individuals on the DDP and SDMI waivers who use CFC support.	Case by case mitigation would occur with the fair hearings process.	\$ 42,000,000	\$ 1,615,774	\$ 3,231,549	0.63%
22 SLTC Total							\$ -	\$ 4,280,144	\$ 8,980,480	1.96%
33 AMDD	693301	Reduce Program Operations - Medicaid Provider Support			Slower response times, claims exception processing, manual updates and general customer service	Review tasks for least valuable, prioritize to ensure delivery of essential services.		\$ 375,000	\$ 375,000	0.25%
	693302	Reduce the use of locums through increased retention	18+, at risk of harm to self others	800	Significant increasing psychiatrist pay, if viewed as an isolated action, conflicts with overall goals of reducing costs. The discussion must always include all pieces of the solution.	Monthly monitoring of recruitment by Administration, with feedback provided to Governance Board at quarterly meetings.	\$ 5,400,000	\$ 450,000	\$ 600,000	0.60%
	693305	Add Utilization Review - Medicaid SUD and MH intensive services	SUD: age 12+, SUD dx, Medicaid; MH: 18+, SDMI, Medicaid + specific cx for services	1,230	Affects participants by requiring additional assessments to receive services.	Monitor utilization review statistics; number approved/denied.	\$ 13,000,000	\$ -	\$ 436,264	0.00%
	693306	Utilization/Authorization - Medicaid Mental Health Outpatient Therapy	mental health dx-first 12 sessions; SDMI >12 sessions, adult, Medicaid	11,029	Affects participants by requiring additional assessments to receive services.	Monitor prior authorization statistics; number approved/denied.	\$ 700,000	\$ -	\$ 500,000	0.00%
	693307	Eliminate Services - Non Federally Funded Chemical Dependency Treatment	SUD+ spec criteria, 18+	250	This would shift the location of service delivery to different settings. Individuals may not be able to stay in the community if crisis and jail diversion projects are not funded. County jails, providers, and Montana State Hospital may be negatively impacted by lack of resources and additional funding and could result in higher Montana State Hospital census.	Monitor to assess impact on jail diversion and waitlist at MCDC; possible shift of allowable expenditures to the block grant.	\$ 775,000	\$ 822,088	\$ 822,088	1.10%
	693308	Reduce Grants - Mental Health Crisis Intervention and Jail Diversion (County Matching Grants)				Monitor MSH census.	\$ 1,698,822	\$ 240,841	\$ 240,841	0.32%
	693309	Reduce Services - Medicaid Substance Use Disorder Targeted Case Management (TCM) services.	Any age, Medicaid eligible, SUD dx	456	This could result in a possible decrease in substance use disorder service utilization, and could cause a shift to other service settings, such as crisis facilities and emergency rooms.	Look into care coordination from other sources.	\$ 288,000	\$ 89,544	\$ 179,086	0.02%
	693310	Reduce Adult SDMI Targeted Case Management (TCM) services.	18+, SDMI	6,291	This could result in a possible decrease in substance use disorder service utilization, and could cause a shift to other service settings, such as crisis facilities and emergency rooms.	Look into care coordination from other sources.	\$ 9,000,000	\$ 2,845,791	\$ 5,691,578	1.32%
33 AMDD Total							\$ 4,823,264	\$ 8,844,857	\$ 39,657,614	3.62%
Grand Total										